



## ***Frequently Asked Questions***

### **Repetitive Flood Claims Grant Program**

*New for FY 2006, the Repetitive Flood Claims (RFC) grant program provides funding to reduce or eliminate the long-term risk of flood damage to structures insured under the National Flood Insurance Program (NFIP) that have had one or more claim payment(s) for flood damages. It is available to States and communities that are participating in the NFIP and are not able to meet the requirements for the Flood Mitigation Assistance Program.*

**Q: What is the RFC program?**

**A:** The Repetitive Flood Claims grant program was authorized in Section 1323 of the National Flood Insurance Act of 1968, as amended by the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (FIRA 2004). This program provides funding to reduce or eliminate the long-term risk of flood damage to structures insured under the National Flood Insurance Program (NFIP) that have had one or more claim payment(s) for flood damages. RFC funds may only be used to mitigate structures that are located within a State or community that participates in the NFIP and cannot meet the requirements of the Flood Mitigation Assistance (FMA) program due to lack of cost share funds or capacity to manage the activities. The long-term goal of the RFC grant program is to reduce or eliminate multiple claims for a single property insured under the NFIP through mitigation activities that are in the best interest of the National Flood Insurance Fund (NFIF).

FY 2006 is the first year in which this program is operating.

**Q: How does the RFC program benefit property owners?**

**A:** The RFC program provides an opportunity for property owners who live in States and communities that are unable to meet FMA requirements to mitigate their properties from future flood damage. Because a non-Federal match is not required, there is little or no financial burden to participating States, communities and property owners.

**Q: How does the RFC program benefit the National Flood Insurance Fund (NFIF)?**

**A:** NFIP-insured properties that suffer repeated flood losses are known as repetitive loss properties. Repetitive loss properties represent a significant draw on the NFIF, and increase the NFIP's annual losses and need for borrowing. The RFC program targets properties that are or have the potential to become repetitive loss properties. By mitigating the risk of future flood losses, the RFC program not only protects property owners' investments, but reduces the drain on the NFIF by reducing or eliminating future flood insurance claims.



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**Q: Who is eligible to apply to this program?**

**A:** Eligible applicants include State emergency management agencies or a similar office (the office that has primary emergency management or floodplain management responsibility) in the State; the District of Columbia; the U.S. Virgin Islands; American Samoa; the Commonwealth of Puerto Rico; the Commonwealth of the Northern Mariana Islands; Guam; and Federally recognized Indian tribal governments.

Eligible sub-applicants that may apply to the Applicant for funding include State-level agencies; Federally recognized Indian tribal governments; and local communities (including State-recognized Indian tribes, authorized Indian tribal organizations, and Alaska Native villages). Private individuals and private non-profit (PNP) organizations are not eligible sub-applicants; however, a relevant State agency or local community may apply to the Applicant for assistance to mitigate private or PNP structures.

**Q: What are the State and local requirements to participate in this program?**

**A:** Either the State or community must not be able to meet the requirements of the FMA program for either cost share or capacity to manage the activities. (FMA requires a minimum 25 percent cost share.) All applicants and sub-applicants must be actively participating in the National Flood Insurance Program (NFIP) – communities that have been suspended or withdrawn from the NFIP are not eligible. In addition, applicants must have a FEMA-approved State mitigation plan (standard or enhanced) in compliance with 44 CFR §201. A local mitigation plan is not required to receive RFC funds.

**Q: What mitigation activities are eligible?**

**A:** In FY 2006, the only eligible activity is the acquisition, and either demolition or relocation, of properties currently insured under the NFIP. At the end of the project the property must be converted to deed restricted open space uses in perpetuity. Only properties that have had one or more flood insurance claim payments are eligible. All property acquisitions must be voluntary. The FY 2006 priority is to fund the acquisition of severe repetitive loss (SRL) properties and non-residential properties that meet the SRL claims thresholds established by the FIRA 2004.

Severe repetitive loss properties are residential buildings insured under the NFIP, and have incurred flood-related damage resulting in either:

- four or more separate flood insurance claims payments exceeding \$5,000 each and \$20,000 cumulatively, two of which were made within a ten-year period; or
- at least two separate flood insurance claims payments, where the cumulative amount of the claims exceeds the value of the property.

**Q: How much funding is available this year?**

**A:** In FY 2006, there is \$10 million available. All funds must be awarded by September 30, 2006.

**Q: What is the application deadline?**

**A:** Applications must reach the appropriate FEMA Regional Office by 5:00 pm (Regional Office local time) on June 30, 2006.



**Q: How will FEMA notify the public of the availability of these funds?**

**A:** FEMA will work with States to provide information on the availability of funds for this program, and the requirements for funding. States will be able to determine the properties that are eligible for funding, and will contact the communities in which these properties are located to determine interest in the program. Application instructions for the FY 2006 RFC program are also available through [www.grants.gov](http://www.grants.gov). Grants.gov is the single source for locating information on all Federal government grant opportunities.

**Q: How will a property owner know if he/she is eligible for this program?**

**A:** Property owners who think that they may meet the flood insurance claims-related criteria for this program should contact the official in their community that handles the National Flood Insurance Program (NFIP), or that issues building or zoning permits. Alternatively, property owners may contact their State NFIP coordinator, who can be found through the Web site: [www.floods.org](http://www.floods.org).

**Q: Will property owners be required to pay part of the cost of the mitigation activity if their property is selected?**

In FY 2006, FEMA will pay up to 100 percent of the cost of the mitigation activity. However, the property owners should check with their community or State to determine if a different cost-share structure is being used.

**Q: How will funding decisions be made?**

**A:** FEMA is required to award funds in the order that creates the greatest amount of savings to the National Flood Insurance Fund. With this in mind, FEMA has made the FY 2006 priority to fund acquisitions of severe repetitive loss properties. Funding decisions will also be prioritized based on the projects with the highest benefit-cost ratios.